Further, the new company GAIL Gas Ltd. has submitted Expressions of Interest (EOI) to Petroleum and Natural Gas Regulatory Board (PNGRB) for developing CGD network in 7 cities, namely Kota, Jhansi, Mathura, Sonipat, Dewas, Gwalior and Ghaziabad. Implementation of City Gas Distribution Projects in the States of Orissa and Jharkhand has not been taken up, as of now.

Crisis of LPG in Tamil Nadu

2450. SHRI N. BALAGANGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that the people of Tamil Nadu especially in Chennai are very much affected due to the short supply of domestic LPG cylinders;

(b) if so, the steps taken by Government to increase the domestic supply of LPG cylinders to meet the shortage; and

(c) the details of proposals to solve the present crisis?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country, including the State of Tamil Nadu and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors. OMCs have further reported that they have supplied 643.30 Thousand Metric Tonnes (TMT) of domestic LPG in the State of Tamil Nadu during April to November, 2008 as against 608.04 TMT during the corresponding period of last year.

However, Indian Oil Corporation Limited (IOC) has reported backlog of 1 day in LPG supplies in the State of Tamil Nadu mainly because of spurt in demand and heavy rains in Tamil Nadu , Government has advised IOC to liquidate the backlog in the State by operating the bottling plants on holidays and during extended hours.

Calculation of under recovery

2451. SHRI M. V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Oil Marketing Corporations (OMCs) are suffering due to under recoveries from the petroleum products that they sell;

(b) if so, the details of under recoveries made by OMCs in the last three years, company-wise and product-wise; and

(c) the details of method adopted by his Ministry for calculating under recoveries of various petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Despite a fall in the international oil prices, the Public Sector Oil Marketing Companies (OMCs) have been incurring under-recovery of Rs.16.60 per litre on the sale of PDS Kerosene and Rs.142.67 per 14.2 kg. Domestic LPG cylinder, as on 1.12.2008.

Based on the Refinery Transfer Price as on 1.12.2008, the projected under-recoveries of the OMCs for the year 2008-09 are Rs.1,10,381 crore.

(b) The details of under-recoveries made by the OMCs during the last three years, company-wise and product-wise are given below.

Company wise under-recoveries (Rs. Crore)

OMCs	2005-06	2006-07	2007-08
IOC	23,153	28,579	42,970
BPC	8,557	10,746	17,923
HPC	8,290	10,062	16,230
TOTAL	40,000	49,387	77,123

Product wise under-recoveries (Rs. Crore)

Under-recovery	2005-06	2006-07	2007-08
PDS Kerosene	14,384	17,883	19,102
Domestic LPG	10,246	10,701	15,523
Petrol	2,723	2,027	7,332
Diesel	12,647	18,776	35,166
TOTAL	40,000	49,387	77,123

(c) Under-recoveries are computed as per the approved pricing methodology based on the recommendations of the Committee on Pricing and Taxation of Petroleum Products formed under the Chairmanship of Dr. C. Rangarajan, on Trade Parity for Petrol and Diesel and Import Parity for Kerosene and LPG. The difference between the price based on Trade/Import Parity and actual selling prices (excluding taxes) represents the under-recovery.

Setting up ethanol project in Brazil

2452. SHRI VIJAY JAWAHARLAL DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Public Sector Oil Marketing Companies are investing 600 Million dollar in Brazil to set up an ethanol project with a manufacturing capacity of 500 million litres;

(b) if so, whether the entire ethanol production in Brazil would be primarily meant for their domestic market or India would also get sizeable quantity to tide over our constantly increasing demand for fuel; and